
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 8.11.2009

The Washington Times, Whalen; We broke the bank!...The United States is functionally bankrupt. Our collective capacity to deal with this astonishing fact is seemingly nonexistent.

The Washington Times; Repeat of 1929 collapse averted?...Aggressive stimulus spending by governments helped the world avoid a second 1929-style Great Depression, but full economic recovery will take two years or more, Nobel Prize-winning economist Paul Krugman said Monday.

The Washington Times; Loan defaults on rise despite uptick...Despite recent signs of economic improvement, defaults are soaring on all kinds of loans to businesses and consumers, including commercial real estate, prime mortgages and credit cards.

NY Times; Troubled Assets May Still Pose Risk...The Treasury Department's \$700 billion bailout program has stabilized the banking system, but it has done little to prod banks to fully deal with the troubled loans on their books, a Congressional oversight panel said in a report to be released Tuesday.

Barron's; Next Real Estate Shoe Is Not Dropping...AS RECENTLY AS LAST MONTH, stories were being written about how the next shoe to drop on the economy would be in the commercial real estate sector.

LA Times; Why are homeowners not being helped?... One of the mysteries of the recession is why mortgage lenders haven't tried harder to avert foreclosures. Because property values have plummeted in once-sizzling markets, lenders that repossess a house can lose half or more of the original loan's value.

LATimes; CVB Financial, facing doubters, gets OK to repay TARP...CVB Financial Corp., an Inland Empire-based banking company that has been battling "short sellers" who are incredulous about its financial health, said late Monday it got U.S. permission to repay the capital infusion received under the Treasury's TARP program last December.

USA Today; Discover, American Express end fees for exceeding limit...Discover Financial and American Express plan to stop charging fees when consumers spend past their credit card limits.

The New York Times; Card Users, Take Heart: One Penalty Is Vanishing...The noxious penalty imposed on American Express and Discover consumers who exceeded their spending limit has finally died, quashed by legislation signed in May by President Obama to ease onerous fees for cardholders.

The Washington Post; A Countrywide Lesson...IT'S BEEN A LITTLE more than a year since the news broke that Sens. Kent Conrad (D-N.D.) and Christopher J. Dodd (D-Conn.) had received loans through a VIP program of the now-defunct mortgage firm Countrywide Financial.

The Washington Post; Judge Delays Bank of America's Settlement...A federal judge refused on Monday to sign off on a \$33 million settlement between Bank of America and the Securities and Exchange Commission, demanding to know why the agency accepted such a small penalty.

Wall Street Journal; The Next Fannie Mae...Much to their dismay, Americans learned last year that they "owned" Fannie Mae and Freddie Mac. Well, meet their cousin, Ginnie Mae or the Government National Mortgage Association, which will soon join them as a trillion-dollar packager of subprime mortgages. Taxpayers own Ginnie too.

Wall Street Journal; CIT Delays Filing Quarterly Report Amid Restructuring...CIT Group Inc. delayed filing its quarterly report with the Securities and Exchange Commission, saying it couldn't meet the deadline "without unreasonable effort and expense" during its restructuring.

Wall Street Journal; Distressed Takeovers Soar...The brutal recession is opening up the landscape to vulture investors as never before.

Wall Street Journal; BofA Judge Seeks More Data on SEC Bonus Deal...A federal judge delayed a decision on whether to approve a \$33 million settlement of allegations that Bank of America Corp. failed to disclose to investors that Merrill Lynch & Co. agreed to pay billions of dollars in bonuses on the eve of their merger.

Wall Street Journal; 'Urgency' Drives SEC Crackdown...The Securities and Exchange Commission is reeling off a string of enforcement moves against high-profile companies and individuals as it tries to establish what its new enforcement chief calls a "sense of urgency."